

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: Fee		6. SURFACE: Fee	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>						7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>						8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: ConocoPhillips Company						9. WELL NAME and NUMBER: L.D.S 34-524	
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE Tx ZIP 79710				PHONE NUMBER: (432) 688-6943		10. FIELD AND POOL, OR WILDCAT: <del>Drunkards Wash</del> Undesignated	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1178.53 FSL & 1735.76 FWL AT PROPOSED PRODUCING ZONE:						11. QTR/CTR. SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 34 14S 10E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 2 miles southeast of Price, Utah						12. COUNTY: Carbon	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1178						13. STATE: UTAH	
16. NUMBER OF ACRES IN LEASE: 640 acres				17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres			
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) ~2640 Feet				19. PROPOSED DEPTH: 1,300		20. BOND DESCRIPTION: Statewide	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5496.6				22. APPROXIMATE DATE WORK WILL START: 9/1/2007		23. ESTIMATED DURATION:	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
14 3/4"	12 3/4"	H40	40.5 #	40			
11"	8 5/8"	J55	24#	400	170 sxs G + 2% CaCl	1.18 cu ft/sk	15.6 ppg
7 7/8"	5 1/2"	N80	17#	1,300	90 sxs Std Cmt	10%CalSeal	1.61cu ft/sk 14.2 ppg
					230sxs 50/50 Poz	8% Bent+10% CalSeal	.25# 12.5 ppg

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist

SIGNATURE [Signature] DATE 5/2/2007

(This space for State use only)

API NUMBER ASSIGNED: 43007-31291

APPROVAL:

**RECEIVED**  
**MAY 03 2007**

**DIV. OF OIL, GAS & MINING**

Township 14 South

# Range 10 East

(5263.50')

S89°57'45"W - 5337.85'

N01°21'07"W - 2676.98'

N00°04'03"W - 2673.90'

N00°12'22"E - 2647.92'

N00°49'47"W - 2653.90'

34

1735.76'

L.D.S. #34-524  
ELEV. 5496.6'

UTM  
N 4378758  
E 518043

1178.53'

S89°25'51"W - 2650.85'

S89°26'34"W - 2649.87'

## Legend

- Drill Hole Location
- ⊙ Metal Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- ( ) GLO
- GPS Measured

## NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG  
39°33'36.737"N  
110°47'23.894"W

## Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

## Basis of Bearing:

The Basis of Bearing is GPS Measured.

## GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

## Basis of Elevation:

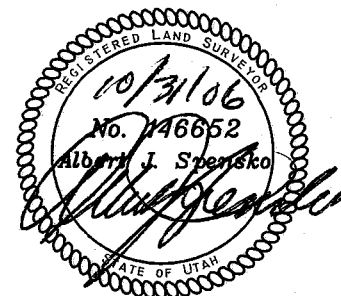
Basis of Elevation of 5459' being at the Southeast Section Corner of Section 34, Township 14 South, Range 10 East, Salt Lake Base and Meridian, as shown on the Price Quadrangle 7.5 minute series map.

## Description of Location:

Proposed Drill Hole located in the SE/4 SW/4 of Section 34, T14S, R10E, S.L.B.&M., being North 1178.53' from South Line and East 1735.76' from West Line of Section 34, T14S, R10E, Salt Lake Base & Meridian.

## Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talon • etv.net

ConocoPhillips Company

WELL L.D.S. #34-524

Section 34, T14S, R10E, S.L.B.&M.

Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 10/19/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2653

GRAPHIC SCALE

0 500' 1000'

( IN FEET )

1 inch = 1000 ft.

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/03/2007

API NO. ASSIGNED: 43-007-31291

WELL NAME: LDS 34-524

OPERATOR: CONOCOPHILLIPS COMPANY ( N2335 )

PHONE NUMBER: 432-688-6943

CONTACT: DONNA WILLIAMS

PROPOSED LOCATION:

SESW 34 140S 100E

SURFACE: 1178 FSL 1735 FWL

BOTTOM: 1178 FSL 1735 FWL

COUNTY: CARBON

LATITUDE: 39.56031 LONGITUDE: -110.7900

UTM SURF EASTINGS: 518038 NORTHINGS: 4378770

FIELD NAME: UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DND	8/2/07
Geology		
Surface		

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? **NO YES**

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 6196922 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. MUNICIPAL )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit: \_\_\_\_\_

R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 243-09

Eff Date: 2-8-2005

Siting: 460' From Outer boundary of 920' for other wells.

R649-3-11. Directional Drill

COMMENTS:

*Needs Permit (06-14-07)*

STIPULATIONS:

*1- STATEMENT OF BASIS*

T14S R10E

BAWDEN 1  
◇

TOM

28

27

26

LDS 28-861  
\*

WELLINGTON  
FEE 1  
◇

KEACH 27-864  
⊙

CAUSE: 243-9 / 2-8-2005

LDS 33-522  
\*

UTAH 33-530  
\*

**DRUNKARDS  
WASH FIELD  
DRUNKARDS  
WASH UNIT**

LDS 34-865  
⊙

34

35

AH 33-439  
\*

LDS 34-524  
⊙

T15S R10E

UTAH 03-647  
UTAH 03-647  
\*

OPERATOR: CONOCOPHILLIPS CO (N2335)

SEC: 27,34 T.14S R.10E

FIELD: UNDESIGNATED (002)

COUNTY: CARBON

CAUSE: 243-9 / 2-8-2005

**Field Status**  
 ■ ABANDONED  
 ■ ACTIVE  
 ■ COMBINED  
 ■ INACTIVE  
 ■ PROPOSED  
 ■ STORAGE  
 ■ TERMINATED

**Unit Status**  
 ■ EXPLORATORY  
 ■ GAS STORAGE  
 ■ NF PP OIL  
 ■ NF SECONDARY  
 ■ PENDING  
 ■ PI OIL  
 ■ PP GAS  
 ■ PP GEOTHERML  
 ■ PP OIL  
 ■ SECONDARY  
 ■ TERMINATED

**Wells Status**  
 ✂ GAS INJECTION  
 ✱ GAS STORAGE  
 ✕ LOCATION ABANDONED  
 ⊙ NEW LOCATION  
 ✱ PLUGGED & ABANDONED  
 ● PRODUCING GAS  
 ● PRODUCING OIL  
 ✂ SHUT-IN GAS  
 ✂ SHUT-IN OIL  
 ✕ TEMP. ABANDONED  
 ○ TEST WELL  
 △ WATER INJECTION  
 ⊕ WATER SUPPLY  
 ⊕ WATER DISPOSAL  
 ⊕ DRILLING

*Utah Oil Gas and Mining*



PREPARED BY: DIANA MASON  
DATE: 7-MAY-2007

# Application for Permit to Drill

## Statement of Basis

6/20/2007

Utah Division of Oil, Gas and Mining

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<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Ownr</b>	<b>CBM</b>
400	43-007-31291-00-00		GW	P	No
<b>Operator</b>	CONOCOPHILLIPS COMPANY		<b>Surface Owner-APD</b>		
<b>Well Name</b>	LDS 34-524	<b>Unit</b>			
<b>Field</b>	UNDESIGNATED	<b>Type of Work</b>			
<b>Location</b>	SESW 34 14S 10E S 1178 FSL 1735 FWL GPS Coord (UTM) 518038E 4378770N				

### Geologic Statement of Basis

A silty, poorly-permeable soil is developed on the Blue Gate Shale Member of the Mancos Shale. No aquifers with high quality ground water are likely to be encountered. The proposed casing and cement program will adequately isolate any water-bearing strata encountered during drilling. Two underground water rights have been filed within a mile of the location. The location is little more than a quarter mile from the Price River.

Chris Kierst  
APD Evaluator

6/20/2007  
Date / Time

### Surface Statement of Basis

On-site evaluation conducted on June 14, 2007. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Jean Semborski-ConocoPhillips, Tim Koch-ConocoPhillips, Cory Wilcox-ConocoPhillips, Kelly Tryon-surface representative, Bill Keach-surface owner, Chuck Rich-Nielson Construction.

As proposed the project area sits within a series of dry washes feeding into the Price River within 1000'. Erosion by these washes and the Price River appears to have been very active in the past, and is still active at the time of evaluation. Well pad should contain berms at all times sufficient to prevent fluids from leaving the well pad and entering the Price River. Reserve pit should be fenced if it remains open through the winter and spring months when livestock are likely to utilize the project area.

Bart Kettle  
Onsite Evaluator

6/14/2007  
Date / Time

### Conditions of Approval / Application for Permit to Drill

<b>Category</b>	<b>Condition</b>
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Berm well pad.

# **ON-SITE PREDRILL EVALUATION**

## **Utah Division of Oil, Gas and Mining**

**Operator** CONOCOPHILLIPS COMPANY  
**Well Name** LDS 34-524  
**API Number** 43-007-31291-0 **APD No** 400 **Field/Unit** UNDESIGNATED  
**Location:** 1/4,1/4 SESW **Sec** 34 **Tw** 14S **Rng** 10E 1178 FSL 1735 FWL  
**GPS Coord (UTM)** **Surface Owner**

### **Participants**

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Jean Semborski-ConocoPhillips, Tim Koch-ConocoPhillips, Kelly Tryon-surface representative, Bill Keach-surface owner, Chuck Rich-Nielson Construction, Ken Lake-surface lessee.

### **Regional/Local Setting & Topography**

Project area is ~1 mile south of Price, located in Carbon County Utah. Project area is surrounded by a mixture of salt scrub rangelands, agriculture fields and riparian corridors. The project is proposed in a 8-10" precipitation zone within 1000' of the Price River, a critical perennial water source. Regionally topography is a series of large plateaus obtaining substantial elevation, dropping off sharply into arid valleys containing limited water sources and generally poor soils. Vegetation is dominated by salt scrub rangelands and pinion/juniper woodlands with agriculture lands following limited riparian corridors in the valleys and montane forest dominating the plateau tops. On a local setting project will use existing access through agriculture lands.

### **Surface Use Plan**

#### **Current Surface Use**

Grazing

Wildlife Habitat

#### **New Road**

<b>Miles</b>	<b>Well Pad</b>	<b>Src Const Material</b>	<b>Surface Formation</b>
0.01	<b>Width</b> 225 <b>Length</b> 235	Onsite	MNCS

**Ancillary Facilities** N

### **Waste Management Plan Adequate? Y**

### **Environmental Parameters**

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

Flora:

Grass: Indian rice grass, curly galleta, bottle brush squirrel tail, cheatgrass.

Forbs: Purple mustard, Rocky Mountain Aster, halogeton, desert plantain, princes plume, globe mallow, desert trumpet.

Shrubs: Gardner salt brush, shadscale, black greasewood, mat salt brush, bud sage, gray horse brush, winterfat, and broom snakeweed.

Trees: None

Fauna: Mule deer, cotton tail rabbits, white tail prairie dog, coyote, red fox, kangaroo rat, deer mouse, incidental use by song birds and raptors. Occurrence of a host of small reptiles and mammals possible.

#### **Soil Type and Characteristics**

Light gray clays

Erosion Issues Y  
Soils highly erosive

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N    Paleo Potential Observed? N    Cultural Survey Run? N    Cultural Resources? N

**Reserve Pit**

**Site-Specific Factors**

**Site Ranking**

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	300 to 1000	2
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	Air/mist	0
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

**Final Score**    2    3    **Sensitivity Level**

**Characteristics / Requirements**

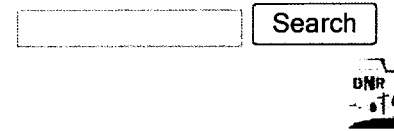
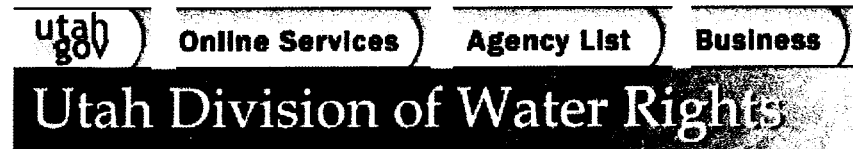
Closed Loop Mud Required? N    Liner Required? N    Liner Thickness    Pit Underlayment Required? N

**Other Observations / Comments**

Project area (well pad and access road) are proposed within 1000' of the Price River. Drainages feeding into the river, and the banks of the river are actively eroding to the southwest and appear to have been active for roughly the past 100 years. Rate of erosion appears to have declined in the past 30 years, but is still considered very active.

Bart Kettle  
Evaluator

6/14/2007  
Date / Time

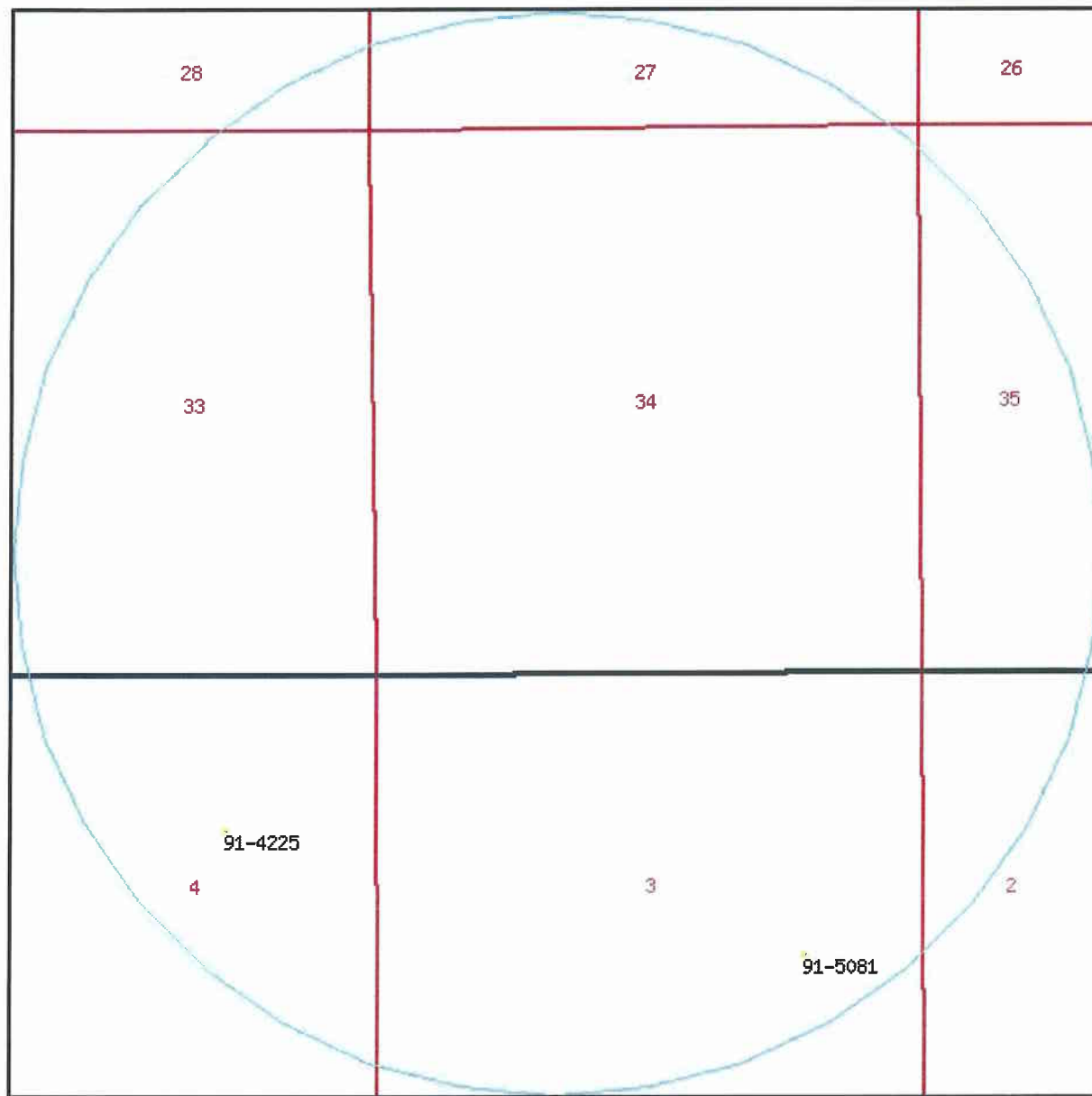


## WRPLAT Program Output Listing

Version: 2007.04.13.01      Rundate: 06/20/2007 04:31 PM

Radius search of 5280 feet from a point N1178.53 E1735.76 from the SW corner, section 34, Township 14S, Range 10E, SL b&m  
Criteria:wrtypes=W,C,E podtypes=S,U,D,Sp status=U,A,P usetypes=all





0 700 1400 2100 2800 ft

### Water Rights

WR Number	Diversion Type/Location	Well Log Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-4225</u>	Underground N1120 W1510 E4 04 15S 10E SL	P	19800422	IS	0.015	0.000	HERMAN BECKAMN ROUTE 1, BOX 141
<u>91-5081</u>	Underground N2550 W1200 SE 03 15S 10E SL	A	20031223	DI	0.000	0.950	RICHARD ERWIN 3715 SOUTH 3100 EAST

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

# 2007-08 ConocoPhillips LDS 34-524

## Casing Schematic

BHP  $0.052(1300)8.33 = 563 \text{ psi}$   
anticipate - 1256 psi

Gas  $.12(1300) = 156$   
 $563 - 156 = 407 \text{ psi, MASP}$

ROPE 3M ✓

Burst 2950  
 $70\% = 2065 \text{ psi}$

Max P@ surf. shoe  
 $.22(900) = 198$   
 $563 - 198 = 365 \text{ psi}$

just to min. 400 psi ✓

✓ Adequate  
DED 8/31/07

Surface

TOC @ 0.

TOC @ 0.

Mancos

8-5/8"  
MW 8.3  
Frac 19.3

Surface  
400. MD

637' Blue Gate/Ferron

792-1017' Coal and Sandstones

5-1/2"  
MW 8.3

Production  
1300. MD

Well name:	<b>2007-08 ConocoPhillips LDS 34-524</b>	
Operator:	<b>ConocoPhillips Company</b>	
String type:	Surface	Project ID: 43-007-31291
Location:	Carbon County	

**Design parameters:**
**Collapse**

Mud weight: 8.330 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 71 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 150 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 352 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 400 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 350 ft

**Non-directional string.**
**Re subsequent strings:**

Next setting depth: 1,300 ft  
Next mud weight: 8.330 ppg  
Next setting BHP: 563 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 400 ft  
Injection pressure: 400 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	400	8.625	24.00	J-55	ST&C	400	400	7.972	143

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	173	1370	7.917	400	2950	7.38	10	244	25.42 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: 801-538-5357  
FAX: 801-359-3940

Date: August 29, 2007  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS:**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>2007-08 ConocoPhillips LDS 34-524</b>	
Operator:	<b>ConocoPhillips Company</b>	
String type:	Production	Project ID: 43-007-31291
Location:	Carbon County	

**Design parameters:**
**Collapse**

Mud weight: 8.330 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 83 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 406 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 562 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

**Non-directional string.**

Tension is based on air weight.  
Neutral point: 1,135 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1300	5.5	17.00	N-80	LT&C	1300	1300	4.767	169.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	562	6290	11.185	562	7740	13.76	22	348	15.75 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: 801-538-5357  
FAX: 801-359-3940

Date: August 29, 2007  
Salt Lake City, Utah

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**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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AMENDED REPORT ☒  
(highlight changes)

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2. NAME OF OPERATOR: ConocoPhillips Company				9. WELL NAME and NUMBER: LDS 34-524	
3. ADDRESS OF OPERATOR: P.O. Box 51810                      CITY Midland                      STATE Tx                      ZIP 79710			PHONE NUMBER: (432) 688-6943		
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SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
14 3/4"	12 3/4"    H40    40.5#	40			
11"	8 5/8"    J55    24#	400	170 sxs G + 2% CaCl    1.18 cu ft/sk    15.6 ppg		
7 7/8"	5 1/2"    N80    17#	1,300	235 sxs 50/50 Poz G    14.1 ppg		

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER  <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN  <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE	DATE <u>8/15/07</u>

(This space for State use only)

API NUMBER ASSIGNED: 43007-31291

APPROVAL:

RECEIVED  
AUG 16 2007  
DIV. OF OIL, GAS & MINING

## AFFIDAVIT CONCERNING SURFACE USE AGREEMENT


STATE OF COLORADO    }  
                                  }  
COUNTY OF LARIMER    }

**DEANNA J. WALKER**, being first duly sworn upon her oath, deposes and says:

1. I am a Senior Advisor in the Property Tax, Real Estate, Right of Way and Claims Organization of ConocoPhillips Company, a Delaware corporation duly authorized to transact business in the State of Utah, ("ConocoPhillips") and am authorized to execute this Affidavit on behalf of said corporation.
2. **Corporation of the Presiding Bishop of the Church of Jesus Christ of the Later Day Saints** whose address is 139 East S. Temple, Suite 110, Salt Lake City, UT 84111, ("Surface Owner") owns the surface estate of property located in the **Southwest One-Quarter of Section 34, Township 14 South, Range 10 East, S.L.B.&M., Carbon County, Utah** ("Property").
3. ConocoPhillips owns or operates oil and gas rights, including mineral leases, and may become holder of other oil and gas rights, including mineral leases, underlying and in the vicinity of the Property ("Leases") and desires to enter on the Property for the purposes of conducting oil and gas operations related to such oil and gas rights, including mineral leases.
4. The Surface Owner executed a Surface Use and Damage Agreement effective as of the 30<sup>th</sup> day of March 2006 which covers the Property. In addition to other agreements and as required by the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R649-3-34 ("Well Site Restoration Rules"), the Surface Use and Damage Agreement sets forth the agreement between the parties for the protection of surface resources, reclamation of the Property and well site restoration, or damages in lieu thereof, for the surface pad location for ConocoPhillips' **LDS 34-524 well** and associated infrastructure, which will be located on the Property. A Memorandum of Surface Use and Damage Agreement is being filed in the public records of Carbon County, Utah.
5. I execute and record this affidavit in accordance with the requirements of the Well Site Restoration Rules.

6. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 3rd day of April 2007.

  
\_\_\_\_\_  
**DEANNA J. WALKER**  
ConocoPhillips Company  
Property Tax, Real Estate,  
Right of Way and Claims  
Senior Advisor

Subscribed, sworn and acknowledged to and by Deanna J. Walker before me this 3rd day of April 2007.

  
\_\_\_\_\_  
**NOTARY PUBLIC**  
For the State of Colorado

My Commission Expires:

My Commission Expires: 2-28-2009

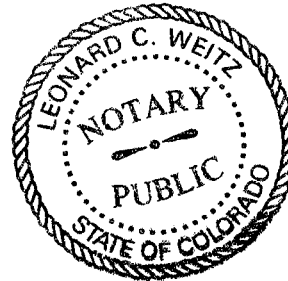




EXHIBIT "D"  
DRILLING PROGRAM

Attached to Form 3  
ConocoPhillips Company  
L.D.S. 34-524  
SESW of 34-14S-10E  
1178.53' FSL & 1735.76' FWL  
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 637

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 792-1017

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

All indications of usable water will be reported.

Surface casing will be tested to 500 psi and Production casing tested to 1500 psi with a minimum of 1 psi/ft of the last casing string depth

4. The Proposed Casing and Cementing Programs

Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth set
14 3/4"	12 3/4"	40.5	H-40	ST&C	0-50'
11"	8 5/8"	24.0	J-55	ST&C	0-400'
7 7/8"	5 1/2"	17.0	N-80	LT&C	0-1300

## Cementing Program

The 8 5/8" surface casing will be set with approximately 170 sacks Class G or Type V cement with 2%  $\text{CaCl}_2$  mixed at 15.6 ppg (yield =  $1.18 \text{ ft}^3/\text{sx}$ ). The cement will be circulated back to surface with 100% excess.

The 5 1/2" production casing will be set and cemented using a single stage cementing process.

Cement Program: Pump 235 sx 50/50 Poz Class G w/2% gel + .1% defoamer + .2% uniflac + .2% dispersant + .125 pps cellophane flakes. Mixed at 14.1 ppg,  $1.62 \text{ ft}^3/\text{sx}$ .

The above cement volumes are approximate and are calculated under the assumption that a gauge hole will be achieved. If the cement does not return to surface, a cement bond log will be run to determine the top of cement. In the case where the cement is below the surface casing shoe, the casing will be perforated and squeeze cemented to the surface. If the cement is above the surface casing shoe, cement will be one-inched to the surface.

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-400	11" hole	Drill with air, will mud-up if necessary.
400-TD	7 7/8" hole	Drill with air, will mud-up if necessary. 400 psi @ 1400-1600 cfm

7. The Testing, Logging and Coring Programs are as followed

400-TD      Gamma Ray, Neutron Porosity, CBL

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is about 1256 psi max., however due to offset production pressures may be much lower. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around September 1, 2007

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

## SURFACE USE PLAN

Attached to Form 3  
ConocoPhillips Company  
L.D.S. 34-524  
SESW of 34-14S-10E  
1178.53' FSL & 1735.76 FEL  
Carbon County, Utah

### **1. Existing Roads**

- a. We do not plan to change, alter or improve upon any existing state or county roads.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

### **2. Planned Access**

Approximately 2300 of new access is required (Refer to Drawing L-1)

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 7%
- c. Turnouts: None
- d. Drainage design: 1 culvert may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and power lines will follow the proposed access road.

### **3. Location of Existing Wells**

- a. Refer to Drawing L-1.

### **4. Location of Existing and/or Proposed Facilities**

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H". Buried powerlines run along access on the east and north, gathering lines on the south or west.
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

## **5. Location and Type of Water Supply**

- a. Water to be used for drilling will be purchased from the Price River Water Improvement District (a local source of municipal water) (tel. 435-637-6350).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

## **6. Source of Construction Materials**

- a. Any necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

## **7. Methods for handling waste disposal**

- a. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit back-filled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- c. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

## **8. Ancillary Facilities**

- a. We anticipate no need for ancillary facilities with the exception of one trailer to be located on the drill site.

## **9. Wellsite Layout**

- a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the pit. The pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Drawing A-2 and L-1.
- d. Natural runoff will be diverted around the well pad.

## **10. Plans for Restoration of Surface**

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

## **11. Surface Ownership:**

- a. The wellsite and access road will be constructed on lands owned by Corporation of the Presiding Bishop of the Church of Jesus Christ of the Later Day Saints. The operator shall contact the landowner representative and the Division of Oil, Gas and mining 48 hours prior to beginning construction activities

**12. Other Information:**

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 4,500 feet northwest.
- b. Nearest live water is the Price River located approximately 1/4 mile northeast.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.



### 13. Company Representative

Jean Semborski  
Construction/Asset Integrity Supervisor  
ConocoPhillips Company  
P.O. Box 851  
6825 South 5300 West  
Price, Utah 84501  
(435) 613-9777  
(435) 820-9807

#### Mail Approved A.P.D. To:

Donna Williams  
Sr. Regulatory Analyst  
ConocoPhillips Company  
P.O. Box 51810  
Midland, Texas 79710


#### Excavation Contractor

Larry Jensen, Vice President  
Nelco Contractors Inc.  
(435) 637-3495  
(435) 636-5268

### 14. Certification

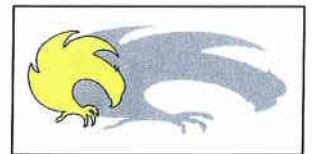
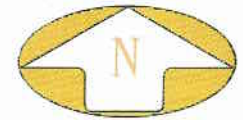
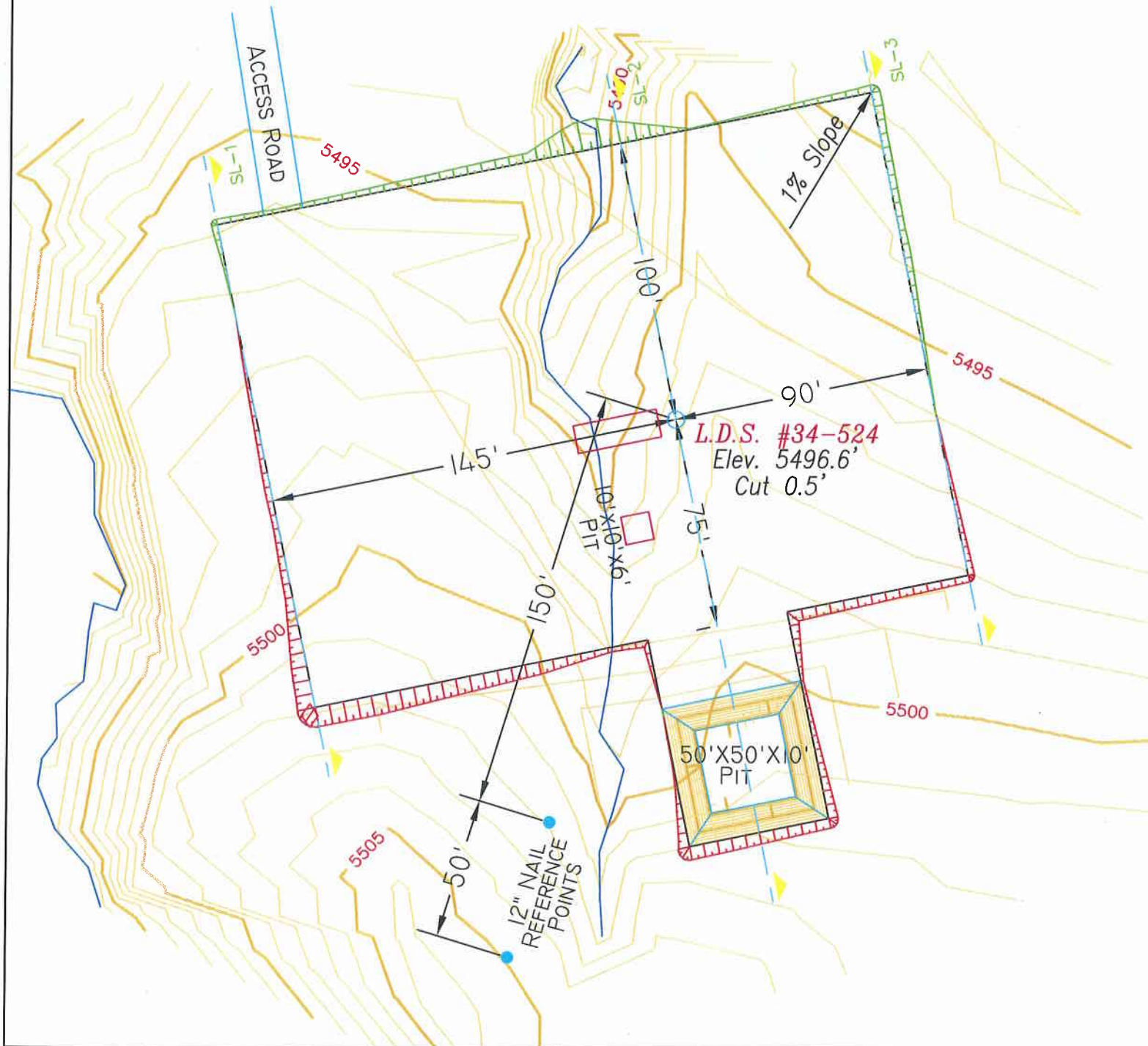
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by ConocoPhillips Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

5/2/07  
Date

  
\_\_\_\_\_  
Donna Williams  
Sr. Regulatory Analyst  
ConocoPhillips Company

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5496.6'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5496.1'



**TALON RESOURCES, INC.**

195 North 100 West P.O. Box 1230  
Huntington, Utah 84528

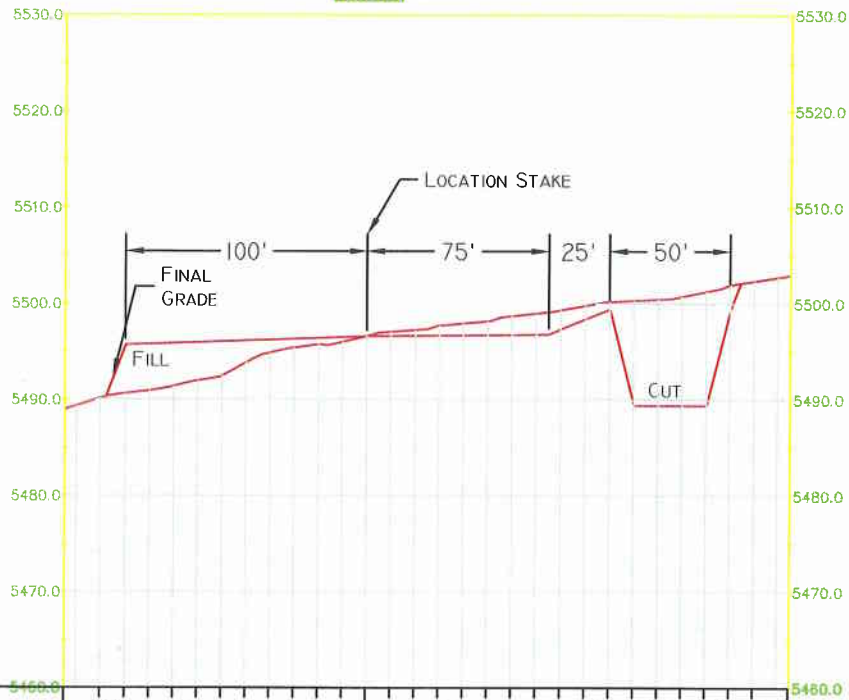
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talon@etv.net

**ConocoPhillips Company**

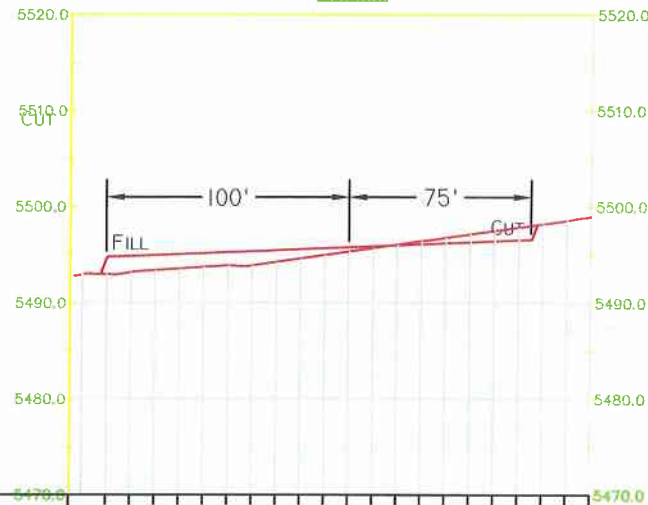
**LOCATION LAYOUT**  
**Section 34, T14S, R10E, S.L.B.&M.**  
**L.D.S. #34-524**

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>A-2</b>	Date: <b>10/19/06</b>
	Scale: <b>1" = 50'</b>
Sheet <b>2</b> of <b>4</b>	Job No. <b>2653</b>

1+45.00 SL-2



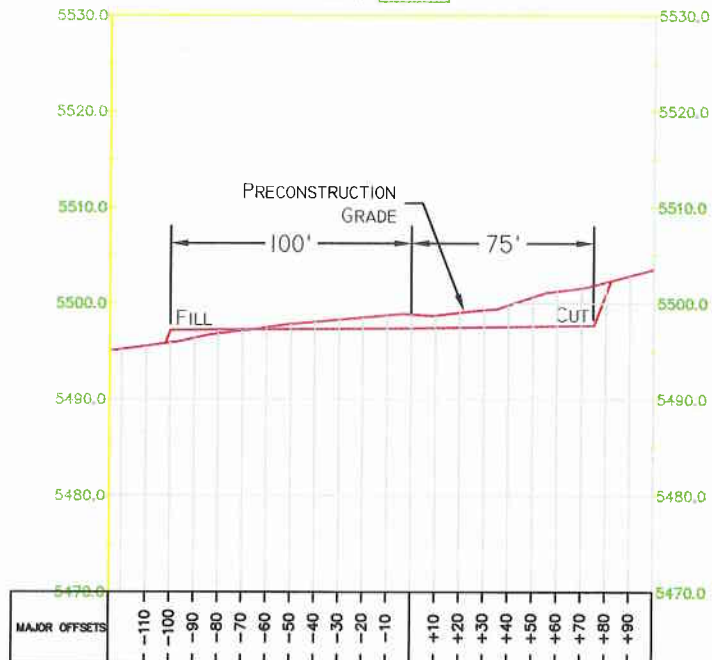
SL-3 2+35.00



1"=10'  
X-Section  
Scale  
1"=40'

SLOPE = 1 1/2 : 1  
(EXCEPT PIT)  
PIT SLOPE = 1 : 1

SL-1 0+00.00

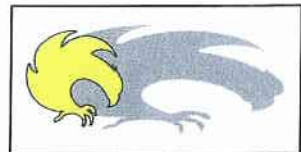


#### APPROXIMATE YARDAGES

(6") TOPSOIL STRIPPING = 810 CU. YDS.

TOTAL CUT (INCLUDING PIT) = 2,585 CU. YDS.

TOTAL FILL = 1,080 CU. YDS.



**TALON RESOURCES, INC.**

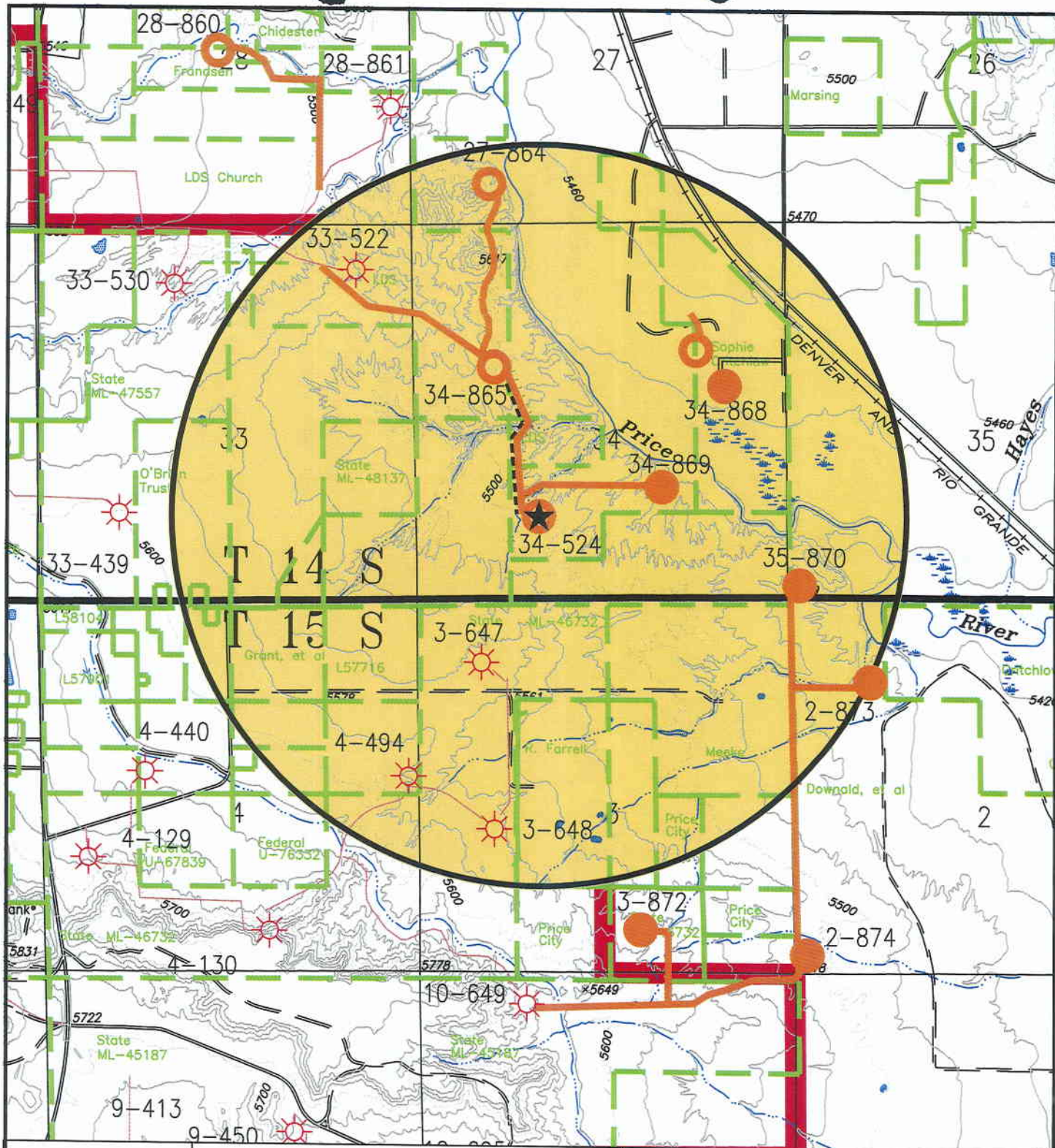
195 North 100 West P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talon@etv.net

**ConocoPhillips Company**

**TYPICAL CROSS SECTION**  
Section 34, T14S, R10E, S.L.B.&M.  
L.D.S. #34-524

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 10/19/06
	Scale: 1" = 80'
Sheet 3 of 4	Job No. 2653





### LEGEND

Proposed Well Location:  
 Other Proposed Well Locations:  
 Proposed Powerline:  
 Proposed Pipeline:  
 Proposed Roads:  
 Lease Boundary:  
 Existing Wells:



Scale: 1" = 2000'

October 31, 2006

ConocoPhillips Company  
 6825 South 5300 West  
 P.O. Box 851  
 Price, Utah 84501  
 Phone: (435) 613-9777  
 Fax: (435) 613-9782

**ConocoPhillips  
 Company**

WELL L.D.S. #34-524  
 Section 34, T14S, R10E, S.L.B.&M.  
 Drawing L-1 4 of 4



510000m E. 512000m E. 514000m E. 516000m E. 518000m E. 520000m E. 522000m E. NAD27 Zone 12S 527000m N.

ConocoPhillips Company

L.D.S. #34-524

UTM NAD 27

N-4378758

E-518043

Talon Resources, Inc.

195 N. 100 W., P.O. BOX 1230

Huntington, Utah 84528

(435) 687-5310

NAD27 Zone 12S 527000m N.

510000m E. 512000m E. 514000m E. 516000m E. 518000m E. 520000m E. 522000m E.

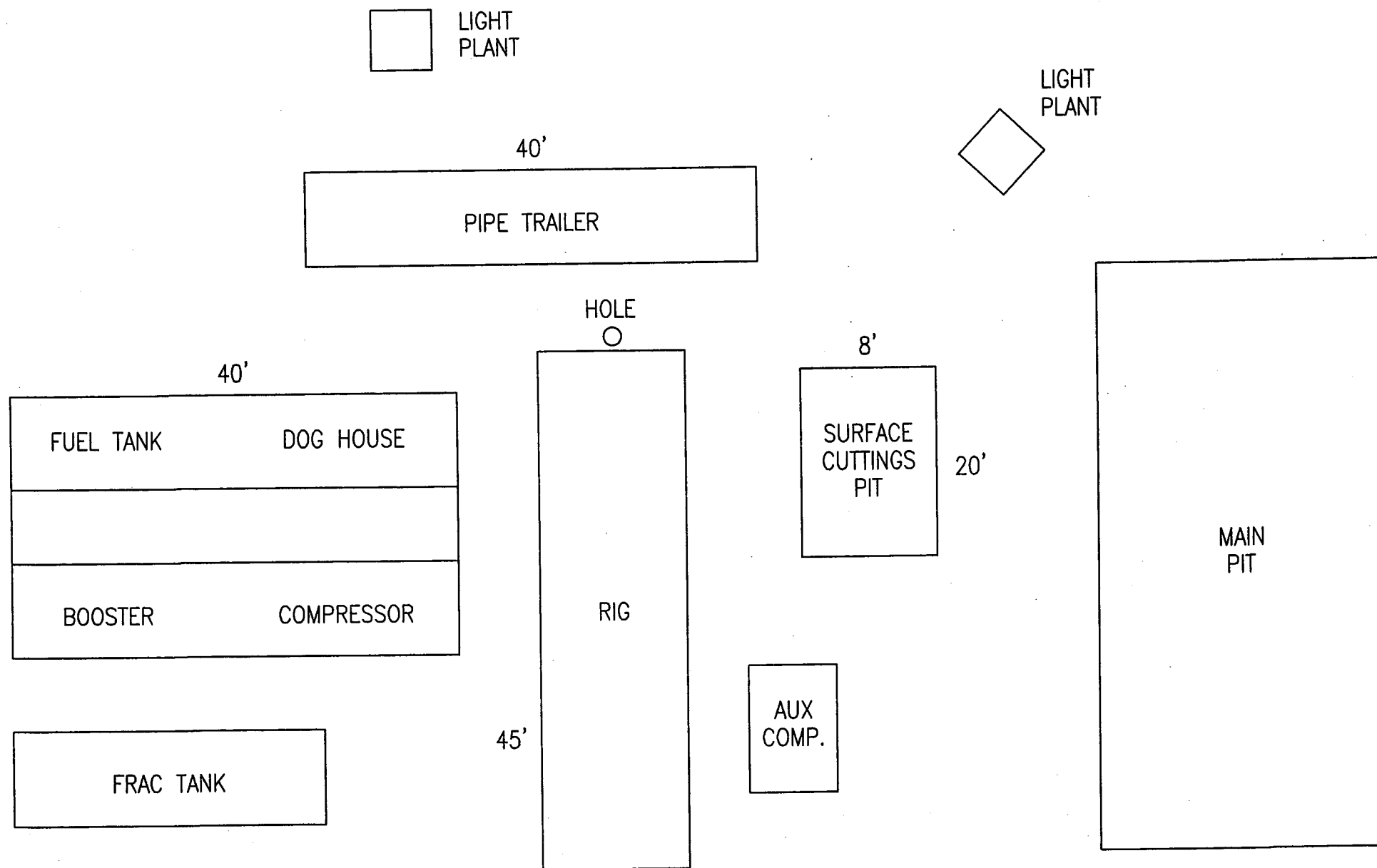
0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles

0 1 2 3 4 5 km

Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

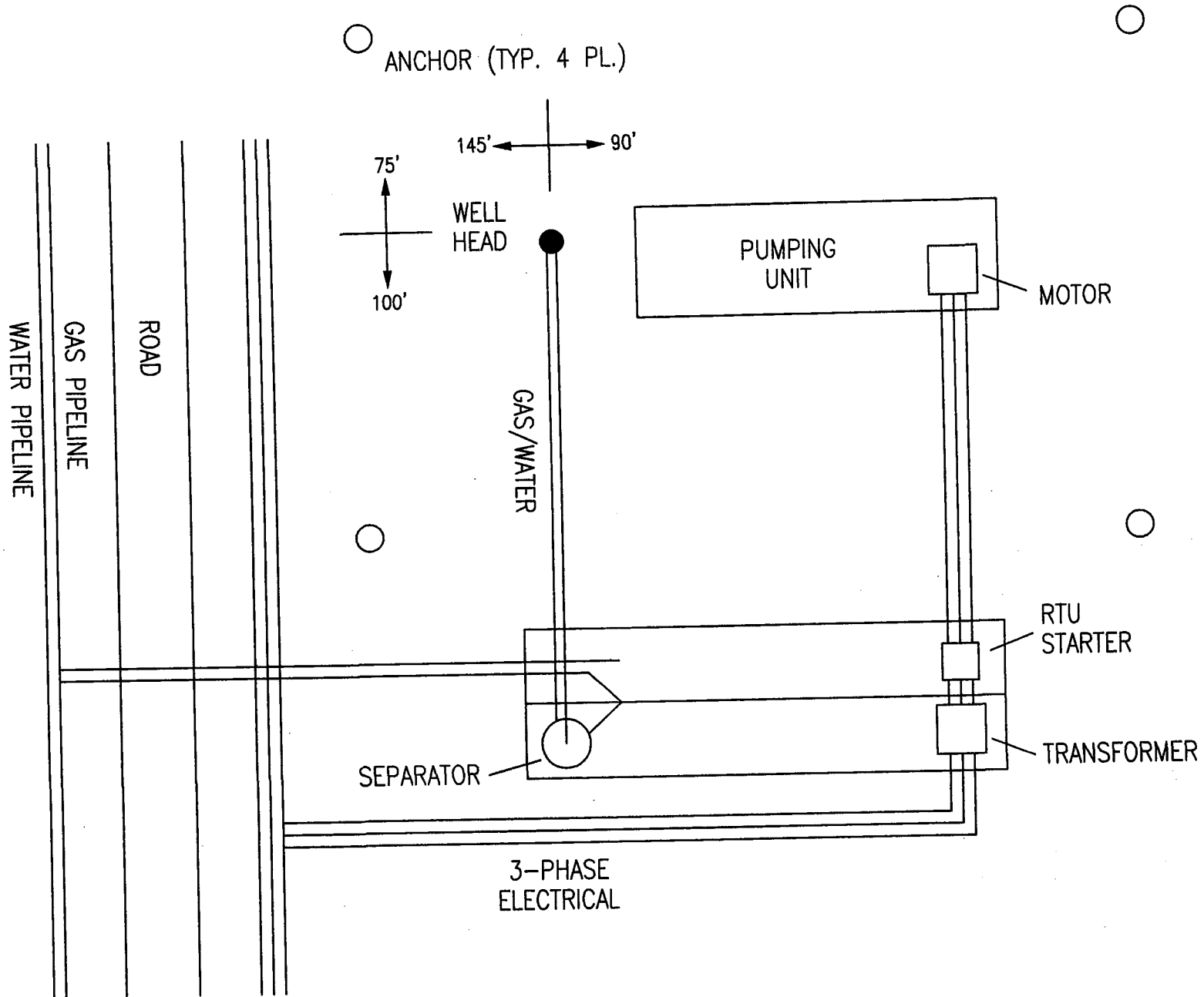
TN/MN  
12°

# APPROXIMATE LAYOUT OF RIG & EQUIPMENT

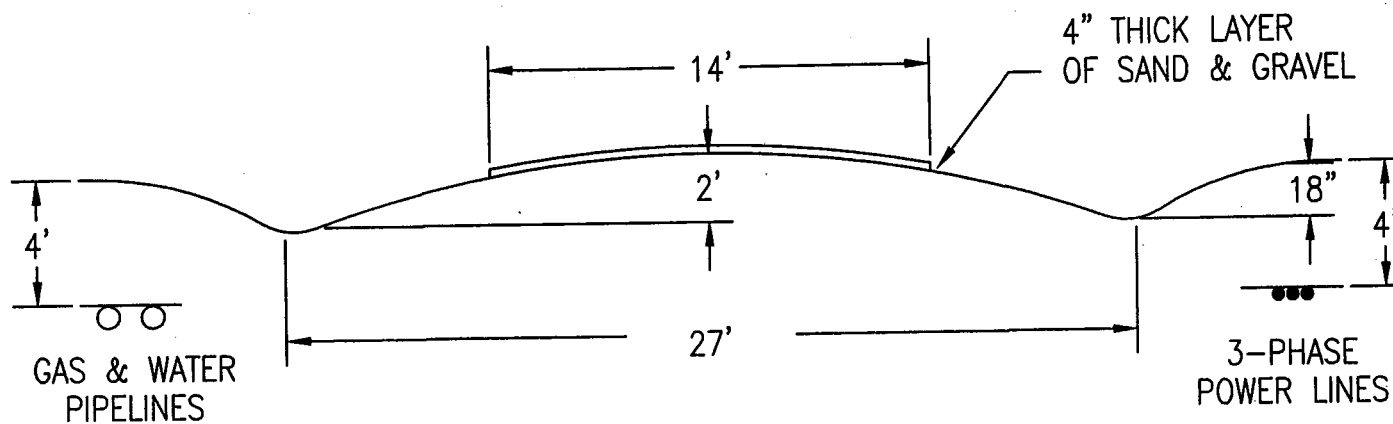


# CONOCO WILLIPS COMPANY

WELL SITE LAYOUT (235' x 175')

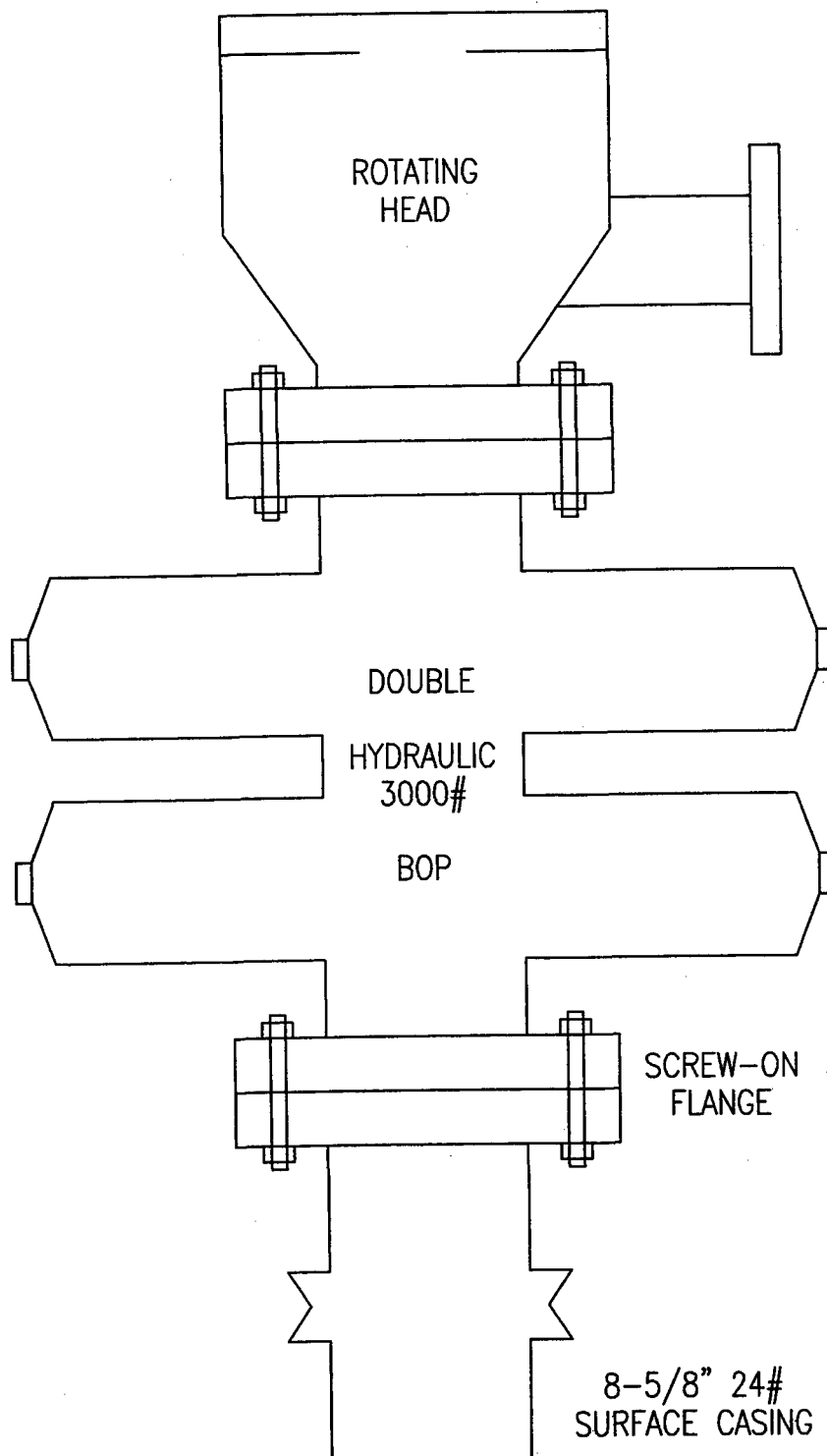


TYPICAL ROAD CROSS-SECTION  
CONOCOPHILLIPS COMPANY





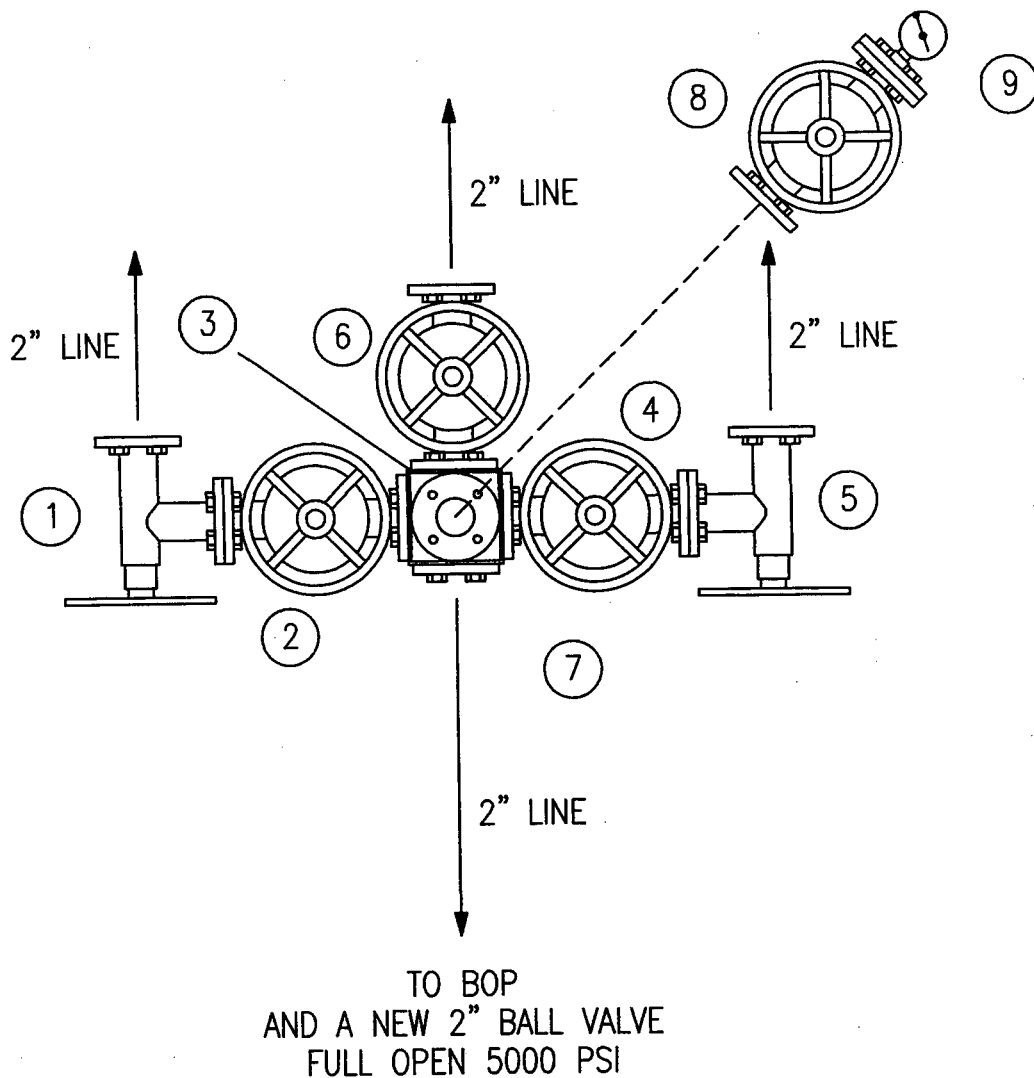
DIVERTER HEAD  
CONOCOPHILLIPS COMPANY



# CONOCOPHILLIPS COMPANY

- (1) 2" 5M FLANGED CHOKE
- (2) 2" 5M GATE VALVE (FLANGED)
- (3) 2" 5M STUDDED CROSS
- (4) 2" 5M GATE VALVE (FLANGED)
- (5) 2" 5M FLANGED CHOKE
- (6) 2" 5M GATE VALVE (FLANGED)
- (7) 2" LINE
- (8) 2" 5M GATE VALVE (FLANGED)
- (9) 3000# GAUGE

NOTE:  
NUMBER 8 GATE VALVE SITS ON TOP OF MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.



MANIFOLD

Bond No. 6196922

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 4A

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CONOCOPHILLIPS COMPANY as Principal,  
and

(surety name) SAFECO INSURANCE COMPANY OF AMERICA as Surety, duly authorized  
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

EIGHTY THOUSAND AND NO/100\*\*\*\*\* dollars (\$ 80,000.00 )  
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and  
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and  
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening,  
repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of  
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

X Blanket Bond: To cover all wells drilled in the State of Utah

Individual Bond: Well No: \_\_\_\_\_  
Section: \_\_\_\_\_ Township: \_\_\_\_\_ Range: \_\_\_\_\_  
County: \_\_\_\_\_, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and  
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells  
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized  
officers and its corporate or notary seal to be affixed this

30th day of Dec, 20 02.

(Corporate or Notary Seal here)  
Attestee: [Signature] Date: 12-30-02

CONOCOPHILLIPS COMPANY  
Principal (company name)  
By James F. Hughes Title Corporate Insurance Manager  
Name (print) Signature  
James F. Hughes

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal  
to be affixed this

1ST day of JANUARY, 20 03.

(Corporate or Notary Seal here)  
By Jina Marie Foster Title ATTORNEY-IN-FACT  
Name (print) Signature  
Jina Marie Foster  
Signature  
SAFECO INSURANCE COMPANY OF AMERICA  
Surety Company (Attach Power of Attorney)  
C/O MARSH USA, INC  
Surety Mailing Address  
P.O. BOX 36012, KNOXVILLE, TN 37930-6012  
City State Zip  
Attestee: Carolyn E. Wheeler Date: 12/20/2002  
CAROLYN E. WHEELER  
NOTARY PUBLIC  
MY COMMISSION EXPIRES: NOVEMBER 1, 2006  
(5/2002)



ConocoPhillips Company  
3300 N. 'A' St. Bldg. 6  
Midland, TX 79705

August 27, 2007

Utah Division of Oil, Gas, and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114

Location Exception Application  
LDS 34-524  
1178.53 FSL & 1735.76 FWL  
SESW of 34-14S-10E  
Carbon County, Utah

Ladies and Gentlemen:

Pursuant to Utah Code R649-3-2, ConocoPhillips Company hereby requests administrative approval for a location exception in the referenced well bore due to topography issues that prevented the well from being spotted within the center of the 40 acre spacing unit. Furthermore, COP is 100% owner of all tracts within a radius of 460' of the well bore.

Should you have any questions, or need additional information, please do not hesitate to contact me at 432-688-6943.

Sincerely,

A handwritten signature in black ink, appearing to read 'Donna J. Williams', written over the word 'Sincerely,'.

Donna J. Williams  
Sr. Regulatory Specialist

**RECEIVED**

**AUG 28 2007**

**DIV. OF OIL, GAS & MINING**

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☒  
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: ConocoPhillips Company		8. UNIT or CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE Tx ZIP 79710		PHONE NUMBER: (432) 688-6943	9. WELL NAME and NUMBER: LDS 34-524
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1178.53 FSL & 1735.76 FWL AT PROPOSED PRODUCING ZONE:		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 34 14S 10E			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 2 miles southeast of Price, Utah		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) ~1178	16. NUMBER OF ACRES IN LEASE: ~640 acres	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) ~2640	19. PROPOSED DEPTH: 1,300	20. BOND DESCRIPTION: Statewide	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5496.6	22. APPROXIMATE DATE WORK WILL START: 9/1/2007	23. ESTIMATED DURATION:	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
14 3/4	12 3/4 H40 40.5#	40	
11"	8 5/8" J55 24#	400	170 sxs G + 2% CaCl 1.18 cu ft/sk 15.6 ppg
7 7/8"	5 1/2 N80 17#	1,300	235 sxs 50/50 Poz G 14.1 ppg

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |   |  |
|---|--|
| <input type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input type="checkbox"/> COMPLETE DRILLING PLAN  |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist  
SIGNATURE  DATE 8/27/2007

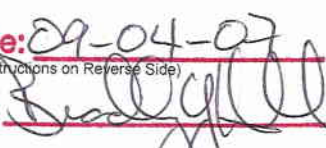
(This space for State use only)

API NUMBER ASSIGNED: 43-007-31291

Approved by the  
Utah Division of  
Oil, Gas and Mining

APPROVAL:

RECEIVED  
AUG 28 2007

Date: 09-04-07  
(See Instructions on Reverse Side)  
By: 



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

September 4, 2007

ConocoPhillips Company  
P O Box 51810  
Midland, TX 79710

Re: LDS 34-524 Well, 1178' FSL, 1735' FWL, SE SW, Sec. 34, T. 14 South, R. 10 East,  
Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31291.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Carbon County Assessor

Operator: ConocoPhillips Company  
Well Name & Number LDS 34-524  
API Number: 43-007-31291  
Lease: Fee

Location: SE SW                      Sec. 34                      T. 14 South                      R. 10 East

### Conditions of Approval

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at:            (801) 538-5338 office            (801) 942-0873 home
- Carol Daniels at:        (801) 538-5284 office
- Dustin Doucet at:        (801) 538-5281 office            (801) 733-0983 home

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

#### 4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

**DIVISION OF OIL, GAS AND MINING****SPUDDING INFORMATION**Name of Company: CONOCOPHILLIPS COMPANYWell Name: LDS 34-524Api No: 43-007-31291 Lease Type: FEESection 34 Township 14S Range 10E County CARBONDrilling Contractor PENSE RIG # 18**SPUDDED:**Date 12/07/07Time 9:00 AMHow DRY**Drilling will Commence:** \_\_\_\_\_Reported by MIKE JOHNSONTelephone # (281) 560-2800Date 12/07/07 Signed CHD



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (432) 688-6943		8. WELL NAME and NUMBER: LDS 34-524
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1178' FSL & 1735' FWL		9. API NUMBER: 4300731291
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 34 14S 10E		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
COUNTY: Carbon		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/8/2007	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Spud well
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

12/8/2007: Drilled 14-1/4" hole to 70', set 13-3/8" conductor csg. Drilled 11" hole from 70' to 173'.

12/9/2007: Drilled from 173' to 464'. Set 8 5/8", J-55, 24# casing at 437', cemented w/285 sacks CI G cement and circ to surface. WOC.

NAME (PLEASE PRINT) Justin Firkins

TITLE Regulatory Specialist

SIGNATURE

DATE 12/11/2007

(This space for State use only)

RECEIVED

DEC 14 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

**ENTITY ACTION FORM**

Operator: ConocoPhillips Company  
Address: P. O. Box 51810  
city Midland  
state TX zip 79710

Operator Account Number: N 2335

Phone Number: (432) 688-6943

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731291	LDS 34-524		SESW	34	14S	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	16543	12/8/2007			12/31/07	
Comments: <u>FRSD</u>							

CONFIDENTIAL

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Justin Firkins

Name (Please Print)

*Justin C. Firkins*

Signature

Regulatory Specialist

12/11/2007

Title

Date

RECEIVED

DEC 14 2007

DIV. OF OIL, GAS & MINING